

REMARKS

Reconsideration and allowance of the present application based on the amendments made to the claims and the following remarks are respectfully requested. By this amendment, claims 1-2, 5, 7, 8-9, 21, 22-28, 30-36 have been canceled. Claims 37-106 have been added. No new matters are added. All the new claims are supported by the specification. Claims 37-106 are now pending in this application.

The Examiner rejected claims 5 and 22 under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter, which the applicant regards as the invention. The amended claims address the Examiner's rejections and overcome the indefiniteness rejections under 35 U.S.C. §112, second paragraph. Throughout the new claims, the term "index" used in the canceled claims is replaced with "index value" to mean a value associated with a user with respect to a particular feature and assigned by a content distributor or broadcaster to indicate the desirability of the user to the content distributor or the broadcaster.

The amended claims further address the Examiner's rejections made in the Office Action, dated January 27, 2004, wherein the Examiner rejected all claims except claim 21 (for which the Examiner conceded oversight during phone conversation on March 12, 2004). The claims have been rejected under 35 U.S.C. §102(b), as being anticipated by Dedrick (U.S. Patent No. 5,724,521 A), and being unpatentable over Dedrick and over Dedrick in view of Herz (U.S. Patent No. 6,571,279 B1). The Applicant respectfully traverses the rejections.

Dedrick discloses an arrangement for advertising, in which an advertiser (1) generates electronic information that can be advertisement or content, (2) specifies

customer variables and customer scales, and (3) selects an aggregated price the advertiser is willing to pay at each specified customer scale. According to Dedrick, it is the **advertiser** who **determines** and specifies the **predetermined price** that the advertiser will pay under different conditions (column 12, lines 5-8). A content distributor device or a metering server plays no role in specifying a price for delivering an advertisement to users. That is, it is not up to the content distributor device (e.g., the metering server) to set the price. The metering server (content distributor device) **decides only whether it can meet the customer scales** specified by the advertiser. If a content distributor device (a metering server) can meet the customer scales, it can charge the advertiser at an **amount determined by only the advertiser, not by the content distributor device** (column 12, lines 5-8).

According to the amended claims, it is the **content distributor device**, not the advertiser, to **compute an estimated price** based on target users selected using the constraints specifying desirable target users, as claimed in claims 37, 63, 77, 81, 95, and 102. According to the claimed invention, the **advertiser client decides whether it accepts a received offer to deliver an advertisement at an estimated price**, as claimed in claims 54 and 98. That is, the advertiser client **does not compute the estimated price**.

In addition, Dedrick discloses a system configuration that is distinctly different from the claimed invention. Dedrick's configuration requires three levels of distribution. First, the advertiser sends electronic information **together with** specified customer variable/scales and a **predetermined price** that the advertiser is willing to pay at each customer scale to a yellow page server, which merely serves as a **repository**. Second, from a yellow page server, a metering server can access electronic information together with the all the terms associated with the delivery of

the advertisement, including the price, and then determine whether the delivery requirements can be satisfied. Only when its aggregated users satisfy the specified customer scale is the metering server permitted to present the advertisement to its users and then charges the advertiser according to the **advertiser's pre-determined aggregated price**.

According to Dedrick, once the advertiser releases the information (electronic information with price and conditions for different price ranges) to a yellow page server, the **advertiser** can exercise **no further control** in terms of which metering server is to deliver the advertisement and has no idea prior to delivery of the advertisement as to **whether and where the advertisement is to be delivered** (column 5, lines 5-6, lines 38-42, column 12, lines 5-8). This is due to the fact that under Dedrick's system configuration, an advertiser does not communicate directly with different metering servers prior to delivery of the advertisement (Fig. 1, column 12, lines 5-8). Instead, the advertiser merely deposits information at a repository without being able to obtain any information regarding the performance related to the delivery. That is, both an advertiser and a content distributor device (metering server) according to Dedrick are **passive players** in the distribution chain. There is **no negotiation** between an advertiser and a metering server.

In the claimed invention, a content distributor device may directly communicate with an advertiser client and an advertiser client is **informed of estimated performance prior to delivering** an advertisement to selected users. The content distributor device receives one or more constraints, selects one or more target user according to the received constraints, computes an estimated price based on the selected target users, and then sends the estimated price, as claimed in claims 37, 63, 81, and 95. Such communication can be conducted directly between the content

distributor device and the advertiser client, as claimed in claims 43, 62, 68, 81, and 87. An advertiser client, upon receiving an estimated price, may make a decision based on the estimated performance (including the estimated price and to whom the delivery is to take place) as to acceptance, rejection, or generation of a counter offer. The advertiser client not only is informed of an estimated performance but also is given an opportunity to decide whether the estimated performance is acceptable, all prior to delivery of the advertisement. In addition, both an advertiser client and a content distributor device are **active players in negotiating** a transaction to deliver an advertisement to desired users.

Furthermore, under Dedrick's three-layer distribution chain (the advertiser, the yellow page server, and the metering servers), the advertisement itself has to be packaged together with all the advertising terms (customer variables, customer scales, and prices) and distributed to a yellow page server in its entirety prior to the matching processing performed by the metering servers. Similarly, the entire package (advertisement, customer variables, customer scales, and the pre-determined price) also has to be distributed from the yellow page server to the metering servers before the metering servers perform the matching processing. That is, the advertisement is distributed twice over the network regardless whether the advertisement will be delivered to any user in a particular local area. It is completely conceivable that some metering servers will waste all the bandwidth to obtain the entire package without ultimately delivering the advertisement at all (column 5, lines 1-4, column 11, lines 59-67, column 12, lines 9-16).

Although Dedrick allows a metering server to inform an advertiser the actual matching statistics (either after the advertisement is already delivered to the metering server or when there is no delivery at all) and permits the advertiser to revise the

terms, the system configuration requires the advertiser go through the three-layer distribution chain again to send the entire package, using again the full bandwidth required. That is, the advertisement may be distributed a plurality of times without being delivered to any of the end users (column 12, lines 60-65).

According to the claimed invention, constraints used to select target users need to be received by the content distribution device in order to estimate performance and compute an estimated price. Prior to delivery of an advertisement, the advertiser client and the content distributor server may exchange information necessary for negotiating the transaction. There is no need to transmit the advertisement itself to the content distributor server until the advertiser client accepts the terms of delivering the advertisement. Therefore, there is no waste of bandwidth in transmitting the advertisement.

According to Dedrick, the target user selection is performed by individual metering servers locally and ultimate distribution of an advertisement to users is performed by many metering servers that are connected to its users through LAN connections (column 2, lines 54-67, column 3, lines 1-2, column 11, lines 59-65). Therefore, the advertiser is not aware how the advertisement is to be delivered and to whom prior to actual delivery. In addition, the advertiser will also be charged piecemeal by many metering servers (as opposed to being charged for one price for all), each for a local delivery (over LAN connections).

Dedrick discloses a pricing scheme, in which each predetermined price (provided by an advertiser) corresponds to a different customer scale. For example, an advertiser may specify that if 75% of users satisfy 60% of customer variables, the advertiser is willing to pay a predetermined price A. That is, if a metering server identifies, through aggregated matching, that 75% of its users (customer scale)

satisfies 60% of advertiser's specified customer variables, the metering server can charge the advertiser price A as specified by the advertiser (column 5, lines 39-42, lines 65-67, column 11, line 59 to column 12, line 9). First, **only aggregated match** is performed. Second, there is **no individual price** computed for delivering content to each of the target users selected, as claimed in claims 77 and 102. In addition, the claimed pricing scheme computes an individual price based on the desirability of a target user from both a content distributor's perspective and an advertiser's perspective, as claimed in claims 49, 79, and 106. Dedrick teaches that an advertiser's predetermined price with respect to a customer scale is determined strictly from an advertiser's perspective. There is no consideration in terms of the value of the user to the content distributor (metering server).

Furthermore, Dedrick does not teach a advertising scheme in which an advertiser can specify time related delivery parameters prior to dispatching the advertisement and such delivery parameters control how the advertisement is to be delivered, as claimed in claims 44, 50, 57, 70, 78, 94, 100, and 104. Such delivery parameters may indicate a time to be delivered, a duration of each exposure, or a repeating rate. According to Dedrick, once the electronic information (including advertisement) is dispatched to a yellow page server, the advertiser does not have any control in terms of when and how the advertisement is to be delivered to which users.

The Examiner asserts that Dedrick anticipates the claimed invention. According to MPEP, in order for a prior art reference to anticipate a claimed invention, the prior art reference must anticipate every element recited in the claimed invention. It is clear from the above discussion that Dedrick fails to disclose a method in which a content distributor device computes an estimated price, the content distributor device communicates directly with an advertiser client, the advertiser

client does not determine an estimated price based on selected target users, and an estimated price is computed based on individual prices to deliver an advertisement to each of the selected target users. That is, Dedrick does not anticipate the features as claimed in claims 37, 54, 63, 77, 81, 95, 98, and 102. Other remaining claims depend from these independent claims. Consequently, the remaining dependent claims are patentable at least for the reasons stated above with respect to their corresponding independent claims and for the addition features recited therein.

The Examiner asserted that the combination of Dedrick and Herz makes the claimed invention obvious in terms of computing individual price for delivering an advertisement to users. According to MPEP 706.02(j), to establish a prima facie case of obviousness, certain criteria must be met. First criterion is that there must be some suggestion or motivation to modify the reference or to combine reference teachings. The Applicant respectfully points out that Dedrick does not have a discernable motivation to suggest such a combination. In addition, even if it does, the combination fails to teach the features recited in the claimed invention.

Herz discloses a location enhanced information delivery system preferably deployed in a mobile scenario. Herz aims at providing an advertisement selected on the fly to a mobile station that passes through a base station where the disclosed location enhanced information delivery system may be deployed (column 5, lines 54-57). To select an appropriate advertisement to be delivered to a user of a mobile station, the location enhanced information delivery system accesses the profile of the user and determines an advertisement that not only matches the user's profile but also yields a highest price (column 6, lines 25-27, lines 42-47, line 59-63, column 5, lines 23-30, column 11, lines 52-59). The **price** is computed according to a formula **provided by the underlying advertiser** (column 5, lines 23-30, column 11, lines 48-

54). According to Herz, the price calculated using the advertiser's formula indicates the price that the advertiser is willing to pay for delivering the advertisement to the underlying user. The location enhanced information delivery system may also compute a plurality of prices for different advertisements using different price formulae provided by corresponding sponsoring advertisers and then select an advertisement from an advertiser that yields the highest price (column 11, lines 52-59). Therefore, according to Herz, the location enhanced information delivery system (i.e., the content distributor) **does not determine how a price is computed.**

Dedrick teaches a system that is based on a completely different operating scheme than Herz's. In Dedrick, **given an advertisement**, the content distributor device (the metering server) **identifies a user base** to which the advertisement is to be delivered. While in Herz, **given a user**, the content distributor (the base station) **identifies an advertisement** to send to the user. In Herz, to receive a higher price for a particular user, the location enhanced information delivery system selects an advertiser that is willing to pay a higher price given the features of the user. While in Dedrick, to receive a higher price to deliver an advertisement to a group of users, a metering server needs to reach a higher level of aggregated matching (i.e., more matching users).

Dedrick's teaching is completely based on an aggregated scheme and this is evidenced in his disclosure. Dedrick describes in great length in terms of how to facilitate an aggregated charging method. Specifically, Dedrick teaches in detail how to construct customer scales (aggregated terms), how such scales relate to customer variables, and how a content distributor determines an aggregated fit (scale), from which an aggregated charge corresponding to a predetermined aggregated price can be determined according to the aggregated scale. Therefore, there is no motivation



for Dedrick to suggest a pricing scheme similar to Herz's. In fact, there is no mention anywhere in Dedrick that suggests any alternative pricing scheme. Lack of both motivation and suggestion, hindsight construction of such a combination is impermissible.

Even if Dedrick suggests the combination, the combination fails to teach a method in which a **content distributor determines an estimated price** based on selected target users because both Dedrick and Herz disclose a method in which it is **an advertiser who determines the price** it is willing to pay instead of the content distributor. Therefore, Dedrick in view of Herz fails to teach or fairly suggest the features claimed in independent claims 37, 54, 63, 77, 81, 95, 98, and 102. All other claims depend from these independent claims. Consequently, these dependent claims are patentable at least for the reasons stated above with respect to their independent claims and for the addition features recited therein.

The kindness and helpfulness of Examiner Le during the interview of March 30, 2004 are acknowledged and were greatly appreciated. The undersigned and Dr. Qian Huang attended the interview where the above arguments were presented.

The Applicant respectfully requests the Examiner to enter the new claims and kindly consider the remarks. It is respectfully submitted that the present application is in a condition for allowance and a Notice to that effect is earnestly solicited.

Respectfully submitted,  
Pillsbury Winthrop, LLP

By: 

Dale S. Lazar  
Reg. No.: 28872  
Tel. No.: (703) 905-2126  
Fax No.: (703) 905-2500

DSL\QCH:ml  
P.O. Box 10500  
McLean, VA 22102  
(703) 905-2000